

December 1, 2008

MEMORANDUM

TO: Oil and Gas Production Facility Owners/Operators

FROM: James J. Gianato, Chairman WV SERC

SUBJECT: SARA Title III Tier II Reporting

THIS IS A REMINDER – YOUR ANNUAL TIER II REPORT AND FILING FEE ARE DUE BETWEEN JANUARY 1 AND MARCH 1, 2009.

For the purposes of annual Tier II reporting and subsequent filing fee determinations by the oil and gas production industry; the following describes an “oil and gas extraction storage facility”.

“A facility that exclusively stores crude oil or liquid hydrocarbons or other fluids resulting, obtained or produced in connection with the production or storage of crude oil or natural gas; receives the crude oil, liquid hydrocarbon or other fluids by direct conveyance through piping or tubing; is located on the same site as, or on a site adjacent to the well from which the crude oil, liquid hydrocarbons or other fluids prior to their transportation off the premises of the facility for sale, use or disposal”.

This definition is taken from Title 55 of the West Virginia Emergency Response Commission (SERC) legislative rules which became effective June 14, 1993. In an effort to simplify this definition for owners and operators of Oil and Gas Production facilities, we offer the following:

Facility – and Oil/Gas storage facility means a storage tank and it’s well or wells, all of which are located on the same site or an adjacent site thought direct conveyance of piping or tubing. A storage facility may also be the site of several wells and a single storage tank or multiple storage tanks. Each storage facility will be considered a separate facility if they are not connected to one another by piping or tubing.

Oil and Gas producers must submit Tier II information for all facilities which store crude oil, liquid hydrocarbons, or other liquids at any one time in quantities equal to or greater than 10,000 pounds (Approximately 33 barrels).

For example, if you own or operate an Oil/Gas production facility in West Virginia that stores at or above 10,000 pounds (approximately 33 barrels) of crude oil on a site, **at any one time during the past year**, you must provide a Tier II report for that facility. The Tier II report must be submitted to three (3) different locations:

- 1) WV State Emergency Response Commission (WV SERC)
- 2) Local Emergency Planning Committee (LEPC) in which the facility is located
- 3) Local fire department with jurisdiction over the facility.

Violators can be subject to civil penalties of up to \$25,000 per day for non-compliance for failure to provide this information.

If an effort to reduce paperwork, an owner or operator of multiple facilities may file one Tier II report (generic) for similar multiple facilities, provided the maximum and daily amounts of the crude oil is within the same ranges at each of the multiple facilities. **The required information for ALL facilities can then be attached to the one completed Tier II report and submitted as required.** Unfortunately, we were unable to procure a web based reporting system this year, but facilities are encouraged to utilize EPA's Tier2 Submit program available at www.epa.gov. This is not required, but the WV SERC is highly recommending it be used. We are continuing in our efforts to obtain a web based reporting system for the convenience of facilities throughout West Virginia.

In addition to submitting the annual Tier II information, you must also pay an annual Tier II filing fee using the "Annual Tier II Filing Fee Worksheet" to calculate your fee. The fee is payable to the WVSERC only

Reports and fees submitted separately or without signatures will be returned for correction.

Remember – the Tier II Form, Filing Fee Worksheet and fee check must be submitted to the SERC at the same time.

TIER II REPORTING INFORMATION CAN BE DOWNLOADED FROM THE FOLLOWING WEBSITE: www.wvdhsem.gov/tier2_1.htm. If you are unable to download the Tier II packet, have questions, need assistance completing the reports or the Tier II software, or would like a packet mailed to you, please contact Misi Savage at 304.558.5380